

Restricted : Management

(2)

To: Permanent Secretary

cc:

From:

[REDACTED]

[REDACTED]

Date: 2 October 1997

WELSH ASSEMBLY ACCOMMODATION

1. At the meeting with the Secretary of State on 23rd September we were asked to extend the search for Assembly accommodation beyond Cardiff. We also undertook to identify options which could provide a temporary home for the new Welsh Assembly, allowing decisions on a permanent home to follow in slower time.
2. We have now done this. *Annexe B* to this minute lists the potential properties that we identified throughout Wales, indicating for each their capacity to provide a temporary or permanent solution, or in some instances, both. To summarise:
 - there are very few options for a permanent location outside Cardiff that could be ready in time: the council offices at Ewloe is by far the best;
 - there are good prospects for finding a temporary location for the Assembly, based around Cathays Park;
 - time is otherwise running out fast, and early decisions are imperative if we are to have permanent Assembly accommodation ready for May 1999.
3. *Annexe A* provides a brief history of what we have done so far, and what we must still do before a decision about a home for the Assembly can be made. It is important that we can demonstrate that we have conducted a proper Economic Appraisal against clearly defined and defensible criteria, and that the final decision has been arrived at reasonably in the light of the outcome of that Appraisal.

Sites throughout Wales

Our agents contacted the Chief Executives of each of the local authorities (other than Cardiff), together with representatives for the NHS estate, Defence Estate, Welsh Development Agency and Welsh Funding Council. They asked for information about existing buildings that might serve as is, or be converted to support the Assembly. On the face of it there appear to be few real runners for a permanent home, given the constraints of time and cost. And there are in many cases potential problems of poor accessibility, as well as the diseconomies that would result from having the Assembly building distant from the bulk of the support staff. But what there appears to be in abundance is enthusiasm for locating the Assembly outside Cardiff. That said, the White Paper makes it clear (para 4.44) that "The Government proposes that the Assembly's headquarters should be located in Cardiff."

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5. We have not sought information on 'greenfield sites', but it is clear that there is ample land across the Principality for new build. However, as in the case of Cardiff, we do not think that a suitable building could be delivered within the timescale.

Temporary solutions - Cardiff

6. There are some good prospects for a temporary solution. At *Annexe C* are preliminary costings for three options, which we think could provide a realistic temporary location for an Assembly, at comparatively modest cost. Each of the options involve using the Ground Floor of CP2 (which we will be clearing anyway for the Summit) to provide the main office accommodation for members and their supporting administration. The specialist requirements of debating chamber and larger committee rooms would be met as far as possible at either the old Mid Glamorgan County Hall, the Temple of Peace, or City Hall.
7. We think we could set something up temporarily on this basis for a little over £5.5 million, excluding rental costs, which are still to fully identified. Of course, the predominant cost element (some £4.5 million) relates to the 'permanent' IT and furniture requirements, which have to met and which would, ultimately, transfer to the final Assembly location.
8. There are some significant estates issues which are still to be fully explored. The Temple of Peace has a supplementary restrictive covenant (the building can only be used for the purposes of peace and health) and we are seeking to confirm if this covenant could be relaxed for temporary use by the new Assembly. As to Mid Glam County Hall, we think that only the chamber could be made available to us: Cardiff City has leased the balance of the accommodation for 2 years (this is why we have bolstered the CP2 adaptations costs associated with this option, to cover the creation of additional committee rooms, should they be needed).
9. Whether City Hall could provide a temporary facility is less clear. It is conceivable that Cardiff would not be prepared to lease just the debating chamber and some committee rooms, but would insist upon the whole building, which would significantly increase the set up costs. And if in due course the long term location was to be City Hall, the Assembly would face further disruption, and either have to decant elsewhere or have its business interrupted while refurbishment was completed around it (assuming that were feasible).

Temporary solutions - elsewhere

10. Outside Cardiff, the new council offices at Ewloe, which would be available to us after the North Wales Child Abuse ends early next year, offer almost tailor-made accommodation. As a temporary home, we think very little adaptation would be needed. Rental and service charges would be in the order of £530,000 per annum. The IT and furniture costs will be the same as the other options. The Ewloe offices would also provide a good basis for a permanent solution.

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WELSH ASSEMBLY ACCOMMODATION

Annex A

What have we done so far?

1. We agreed with the Secretary of State the broad parameters against which we would undertake a search for possible accommodation for the Assembly, and conduct an Economic Appraisal (*CT 12809/97 dated 5 June 1997*). The Secretary of State specified that the search should be restricted to the Cardiff area, and that we should aim to have the Assembly up and running in its permanent home by May 1999.
2. The search provided a short list of 6 options, which was reduced to 2 upon detailed investigation. No others - including new build - could be completed by May 1999. The two options (City Hall, and conversion of CP1/2) could be completed by then provided we got a decision by the end of October, but both would cost significantly more than the sum quoted in the White Paper.
3. We reported the outcome of the Economic Appraisal to the Secretary of State (*CT 14128/97 dated 5 September 1997*), and visited City Hall with him on 8 September prior to discussing our conclusions. He requested us to examine what could be achieved with City Hall (specifically including a Chamber within the present Banqueting Hall) within a capital cost limit of £17 million.
4. Our investigations showed that it should be possible to construct a suitable Chamber within the Banqueting Hall, and that other necessary conversion works could be completed for a total of about £17 million - provided no major problems were revealed upon detailed survey of the building, and provided that the building could be acquired for next to nothing. However, the general state of repair of City Hall and the age and condition of the existing mechanical services mean that there would be a significant package of work required to keep the building serviceable during the first few years of the life of the Assembly - perhaps £10million worth.
5. We reported our findings to Ministers (*CT14520 dated 22 September 1997*) and discussed them with the Secretary of State on 23 September, a few days after the Referendum. As set out in the main paper, we were asked to extend the search for Assembly accommodation beyond Cardiff, and to identify options which could provide a temporary home for the new Welsh Assembly, allowing decisions on a permanent home to follow in slower time. We are now in a position to report the outcome of these investigations.

What must we do now?

6. We need to revisit and if necessary redefine the specification against which we are working. In particular:
 - is the Assembly to have a single base?
 - is it to be based in Cardiff?
 - is it to have a permanent home by May 1999?
 - are the capital costs to be kept within the White Paper figure of £17 million?

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7. Once we are clear about the specification, we must reconsider the options and re-work the Economic Appraisal. Timing is an issue here: for example, to examine the cost of new build at various sites across Wales would take a few weeks, whereas the options of converting CP1/2 or adapting City Hall by May 1999 expire within 2 or 3 weeks. Thus extending the remit would perforce rule out some options. A brief checklist of the advantages and drawbacks of the main options is at *Annexe D*.
8. Once the Economic Appraisal is complete, Ministers must then consider the outcome and decide whether to go for the economically most advantageous option. If that is not attractive, we must be able to demonstrate that whatever decision is reached has been arrived at reasonably and can be defended publicly and to the PAC.

ANNEXE B

WELSH ASSEMBLY: POTENTIAL PROPERTY OPTIONS - WALES

ADDRESS	FH/LH	TEMPORARY/ PERMANENT	SIZE	ACQ. COST/ RENTAL	COMMENTS
CARDIFF TEMPORARY ACCOMMODATION					
1. Ground Floor Cp2+ Glamorgan County Hall Chamber; City Hall Chamber; or Temple of Peace Chamber	FH/LH	Temporary	Ground Floor CP2: 27,000 + sq ft		See Annexe B for set up costs. Possible problem with restrictive covenant ToP.
2. Crickhowell House + Coal Exchange	LH	Temporary	30,000 sq ft currently vacant at CH	N/K	Refurbishment may be costly
CEREDIGION					
1. Trawsgoed, Aberystwyth	FH	Permanent	58,000 sq ft	£340,000	Major refurb/rebuild required
2. Highmead, Llanybyther	FH	Permanent	65,000 sq ft	£250,000	Major refurb/rebuild required
FLINTSHIRE					
1. Council Offices, Ewloe	LH	Temporary/ Permanent	56,000 sq ft	£9 psf + sc	Property available following conclusion of Child Abuse Enquiry

2. Phase 4, Shire Hall, Mold	LH	Temporary	60,000 sq ft	£7.50 + sc	Shared Council Chamber
MERTHYR TYDFIL					
1. Cyfarthfa Castle	FH	Permanent	60,000 sq ft	N/K	Currently occupied as Secondary School and Museum
MONMOUTHSHIRE					
1. County Hall Cwmbran	N/K	Temporary/ Permanent	N/K	N/K	Part of a larger solution involving the decanting of existing Monmouthshire CC staff to a new permanent HQ
NEWPORT					
1. Former College of Art Clarence Place Newport	FH	Permanent	62,049 sq ft	N/K	Major refurb/rebuild required
NEATH/PORT TALBOT					
1. Margam Park Castle	FH/LH	Permanent	35,000 sq ft	Negotiable	Major refurb/rebuild required
POWYS					
1. County Hall, Llandrindod Wells	N/K	Temporary/ Permanent	84,000 sq ft	N/K	Currently occupied by LA. Powys CC may be prepared to vacate
SWANSEA					
1. Guildhall, Swansea	N/K	Permanent	134,000 sq ft	N/K	Imposing Listed Building
2. Council Office, Penlygaer	N/K	Temporary/ Permanent	52,000 sq ft	N/K	Modern Civic Building close to M4. Currently occupied by Neath & Port Talbot CBC
WREXHAM					
1. Redwither Tower	LH	Temporary	200,000 sq ft	N/K	Property available for immediate occupation. In LA ownership. No

2. Lindisfarne College	FH	Permanent	40,000 sq ft	N/K	chamber Major refurb/rebuild required
3. Guild Hall, Wrexham	FH	Permanent	N/K	N/K	Wrexham CC have indicated that they would be prepared to vacate.
NHS ESTATE					
1. Pen-y Fal, Abergavenny	FH	Permanent	300,000 sq ft	N/K	Major refurb/rebuild required
2. Mid-Wales Hospital, Talgarth	FH	Permanent	150,000 sq ft	N/K	Major refurb/rebuild required
3. North Wales Hospital Denbigh	FH	Permanent	500,000 sq ft	N/K	Major refurb/rebuild required
4. Tal-y-Garn, Pontyclun	FH	Permanent	60,000 sq ft	N/K	Major refurb/rebuild required
5. Sully, Penarth	FH	Permanent	200,000 sq ft	N/K	Major refurb/rebuild required
GWYNEDD					
1. Ysgol Segontium Caernarfon	FH	Permanent	36,885 sq ft	N/K	Present home of Sir Hugh Owen Lower School.
2. Vaynol Hall, Bangor	FH	Permanent	N/K	N/K	Grade 2 Listed Building
3. Coleg Glynllifon, Caernarfon	FH	Permanent	N/K	N/K	Grade 2 Listed Building

New Welsh Assembly Estimated Costs for Temporary Location of the Assembly

Cost Element	Option 1 Mid Glam County Hall	Option 2 Temple of Peace & Health	Option 3 Cardiff City Hall
Acquisition of Temporary Accommodation	See Note 1	See Note 1	See Note 1
Ingoing Works (demise only)			
Cost Allowances	£20,000	£20,000	£30,000
Internal Decorations	£70,000	£70,000	£140,000
Fittings ²	£100,000	£350,000	£100,000
Services Installations	£300,000	£300,000	£300,000
Security Installation	£30,000	£30,000	£30,000
Fire / Disabled Access	£0	£75,000	£0
Ingoing Works - Sub Total	£820,000	£845,000	£600,000
Contingencies	£75,000	£75,000	£90,000
Preliminaries	£75,000	£75,000	£90,000
Management Fees	£30,000	£30,000	£35,000
Sub Total	£1,000,000	£1,025,000	£815,000
Value Added Tax @ 17.5%	£123,000	£179,000	£143,000
Total Adaptation Works	£1,123,000	£1,204,000	£958,000
Alterations to the Ground Floor CP2			
Formation of Cellular Offices ³	£200,000	£80,000	£80,000
Heating and Ventilation alterations to existing system (inc. Ceiling Alterations)	£50,000	£50,000	£50,000
Electrical Installation	£6,000	£6,000	£6,000
Fees and Preliminaries	£27,000	£27,000	£27,000
Value Added Tax @ 17.5%	£49,000	£28,000	£28,000
Total CP2 Ground Floor Alterations	£332,000	£191,000	£191,000
Total Adaptation Works & CP2 Alterations	£1,455,000	£1,395,000	£1,149,000
I.T. Equipment (including VAT @ 17.5%) ⁴	£3,200,000	£3,200,000	£3,200,000
Loose Furniture (including VAT @ 17.5%) ⁴	£1,250,000	£1,250,000	£1,250,000
Total Setup Cost	£5,905,000	£5,845,000	£5,599,000

Notes

¹ Rent for Option 1 is £61,000 assuming three year lease and one year lead. Nil rental for Option 2 as it is Freehold in the name of the Secretary of State. Lease / rental for Option 3 not known.

² Option 2 includes extra £250,000 (inc. VAT) to install chamber seating.

³ Option 1 includes the additional cost of creating committee rooms as only debating chamber will be available.

⁴ Costs as for the permanent solution.

Welsh Assembly accommodation checklist

Annexe D

	Cardiff				Elsewhere			Touring
	City Hall	CP1/2	New Build	Temporary home	Ewloe	Other sites	New Build	
1 Available by May 1999	✓	✓	X	✓	✓	X	X	✓
2 Within White Paper budget	X	X	✓	✓	✓	✓	✓	✓
3 In Cardiff	✓	✓	✓	✓	X	X	X	✓
4 Permanent home	✓	✓	✓	X	✓	✓	✓	✓
5 N Wales presence possible	X	X	X	X	✓		✓	✓

Note New build costs will depend upon the site, specification and costs of finishes

Touring assumes a 1 or 2 site admin base (eg Cardiff and N Wales) main meetings and possibly some committee meetings peripatetic.